Before the

FEDERAL COMMUNICATIONS COMMISSION

Washington, D.C. 20554

In the Matter of	)	
	)	
2010 Quadrennial Regulatory Review	)	MB Docket No. 09-182
of the Commission's Broadcast Ownership	)	
Rules and Other Rules Adopted Pursuant to	)	
Section 202 of the Communications Act of	)	
1996	)	

REPLY COMMENTS OF ENTERCOM COMMUNICATIONS CORP.

Entercom Communications Corp. ("Entercom"), the ultimate parent company of various subsidiaries that collectively are licensed to operate 111 broadcast radio stations (32 AM and 79 FM) throughout the United States, hereby submits reply comments in the instant proceeding urging the Commission: (1) to eliminate the "subcap" requirement that restricts a company's ownership of only a certain number of stations in the same service (AM or FM) in each local radio market; and (2) to permit the transfer of "grandfathered" clusters of radio stations without any limitations.

As other commenters to this proceeding have advocated[1], the subcap requirement is not supported by today's broadcasting environment and can be an impediment to better utilization of the AM band. One of the reasons for the adoption of the subcap was to protect AM radio. Whether or not this had any basis in the past, with the advances in technology over the past years that have improved the ability of AM radio to compete in the marketplace, there is even less

[1] *See* comments of The National Association of Broadcasters, MB Docket No. 09-182, at 90 (July 12, 2010); and Comments of Clear Channel Communications, Inc., MB Docket No. 09-182, at 37-45 (July 12, 2010) ("Clear Channel").

validity to this position. These technological advancements include, among other things online streaming, the implementation of HD technology, and the ability for an AM station to use an FM translator to augment the broadcast of its signal. AM radio does not need the protection originally intended by the subcap restriction. The fact that many of the top stations in large and small markets[2] are AM stations, undercuts any argument that AM will flounder if the subcap was removed.

In addition to the arguments raised by other commentators, the subcap limitation can interfere with delivering full market service with a diversity of programming. For example, an Entercom subsidiary in the Wilkes-Barre Scranton market operates a news/talk network that includes 3 non-overlapping AM stations. These 3 AM stations are used in the network because one of these AM signals alone cannot serve the entire market due to the large geographic area of the Wilkes-Barre Scranton market. Under current ownership regulations, if Entercom did not own any FM stations in the market, Entercom would still be prohibited from utilizing another 3 station AM network to serve the entire market with different programming because another 3 station AM network would cause Entercom to exceed the 5 AM station subcap limitation. In such a situation, the subcap would serve to restrict use of the AM band to fully serve the largest number of people in the market with a diversity of programming.[3] Being able to do so would allow broadcasters that cannot afford more expensive full market signals to put together multiple networks that serve targeted audiences (e.g. religion, ethnic, etc.) with full market coverage. This ability to aggregate stations in the same service (either AM or FM) will increase efficiency and improve service to the public throughout the market with a greater diversity of programming. In the process, it will strengthen the use of the AM band, help preserve its economic viability and improve the ability of radio broadcasters to serve more diverse elements in the markets that the stations serve.

Entercom submits that the Commission should also remove the restriction on the transfer of a cluster of grandfathered stations. Grandfathered clusters of stations generally come about in one of three ways. Many were created at the time the Commission changed the definition of a market for multiple ownership purposes from a contour overlap methodology to one that utilizes

[2] *See* comments of Clear Channel, at 39.

[3] This issue is not unique to the AM band. It also applies to the ability to aggregate less than full market FM signals in a market to form a network that fully covers the market.

the definition of a market determined by Arbitron Ratings Company ("Arbitron"). Another way that grandfathered clusters are created is through changes in the number of stations in a market, usually either by a station going dark or being moved into an adjacent market. Finally, grandfathered clusters can be created by changes by Arbitron in the area that constitutes a market, such as moving a county out of one market and into an adjacent market. A licensee has no control over any of the events that can cause the market ownership limits to change resulting in the licensee's cluster becoming grandfathered. Two of Entercom's three grandfathered clusters were at one point fully compliant but because of stations going dark in the market are now grandfathered.[4]

When such a change occurs, the licensee is then prohibited from transferring a cluster intact and must break it up. This reduces the value and impairs the investment that was made. This ultimately weakens the radio industry and thus its ability to serve the communities that they are licensed to serve. On the other hand, the Commission has acknowledged that transferring such a grandfathered cluster is not inherently bad as the rules do allow a transfer to a very limited class of "eligible entities." While this buyer pool is so limited that it is not a real option for most owners of grandfathered clusters, the fact that the Commission allows grandfathered clusters to be transferred under certain circumstances indicates that the Commission believes that allowing the transfer of such clusters is not inherently bad policy.

In each of the situations that create grandfathered clusters, the licensee will have invested significant sums to acquire and develop the stations that it owns. The licensee will have bought the station licenses and equipment, hired personnel and built studios based on the number of stations. The licensee's business plan and programming choices are usually based on the number of stations in the cluster. A cluster of stations is usually more valuable than the sum of its parts because these stations work together as a cohesive unit enabling the stations to pool resources to create better programming and services for listeners. Impairing that value and investment through no fault of the licensee is not equitable.

In addition, lack of transferability can have an adverse impact on the strength of the radio industry. The potential lack of transferability can inhibit the acquisition by broadcasters of larger clusters that could later be rendered non-transferable due to a change in the market over which

[4] The two clusters that are now grandfathered are Kansas City and Greenville, SC.

the licensee has no control. Thus, depriving the public the benefits of the efficiencies, greater resources and diversity of programming that larger clusters can bring to a market. Accordingly, Entercom urges the Commission to remove the prohibition on free transferability of grandfathered clusters.

With increasing media fragmentation and competition to radio from an increasing number of audio sources, the Commission should be looking for ways to improve the economic health of the radio industry. The removal of the subcaps and allowing free transferability of grandfathered clusters are small steps that the Commission could take that would help improve the economic viability of the radio industry and enhance its ability to serve the communities that they are licensed to serve.

Respectfully submitted,

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By: ______________________

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